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2:10-bk-01438

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF ARIZONA

In re  
DANIEL G. KELLY  
KRIS G. KELLY

Case No.

CHAPTER 13 PLAN AND APPLICATION FOR  
PAYMENT OF ADMINISTRATIVE EXPENSES

SSN xxx-xx-0089  
18512 E. LAWDALE PLACE  
QUEEN CREEK, AZ 85142  
18512 E. LAWDALE PLACE  
QUEEN CREEK, AZ 85142

SSN xxx-xx-9185

Debtor(s).

- ☒ Original  
☐ Amended  
☐ Modified

Your rights may be affected by this Plan. If you object to the treatment of your claim as proposed in this Plan, you must file a written objection by the deadline set forth in a Notice of Date to File Objections to Plan that was served on parties in interest. If this is a joint case, then "Debtor" means both Debtors. This plan does not allow claims or affect the timeliness of any claim. To receive payment on an unsecured claim, you must file a proof of claim with the Bankruptcy Court, even if this Plan provides for your debt. Except as provided in § 1323(c), a creditor who disagrees with the proposed treatment of its debt in this Plan must timely file an objection to the Plan.

☐ This is an Amended or Modified Plan. The reasons for filing this Amended or Modified Plan are:

(A) Plan Payments and Property to be Submitted to the Plan.

(1) Plan payments start on **February 19, 2010**. The Debtor shall pay the Trustee as follows:

\$ 720.00 each month for month 1 through month 12 .

\$ 985.00 each month for month 13 through month 60 .

The proposed plan duration is 60 months. The applicable commitment period is 60 months. Section 1325(b)(4).

(2) Debtor will submit the following property in addition to plan payments: *[Describe or state none]*

-NONE-

(B) Trustee's Percentage Fee. Pursuant to 28 U.S.C. § 586(e), the Trustee may collect the percentage fee from all payments and property received, not to exceed 10%.

(C) **Treatment of Administrative Expenses and Claims.** Except as specified for adequate protection payments under (C)(1) or otherwise ordered by the Court, the Trustee will make disbursements to creditors after the Court confirms this Plan. Unless otherwise provided in Section (J), disbursements by the Trustee shall be pro rata by class (except for adequate protection payments) and made in the following order:

- (1) **Adequate protection payments.** Section 1326(a)(1)(C) requires adequate protection payments to be made to creditors secured by personal property. Pursuant to Local Bankruptcy Rule 2084-6, the Trustee is authorized to make preconfirmation adequate protection payments to the following secured creditors without a Court order, provided the claim is properly listed on Schedule D, the creditor files a secured proof of claim that includes documentation evidencing a perfected security agreement, and the debtor or creditor sends a letter to the trustee requesting payment of preconfirmation adequate protection payments. The Trustee will apply adequate protection payments to the creditor's secured claim. After confirmation, unless the Court orders otherwise, adequate protection payments will continue in the same amount until claims to be paid prior to these claimants are paid in full, unless the confirmed plan or a court order specifies a different amount. **If a creditor disagrees with the amount of the proposed adequate protection payments or the plan fails to provide for such payments, the creditor may file an objection to confirmation of this plan, file a motion pursuant to §§ 362, 363, or do both.**

<u>Creditor</u>	<u>Property Description</u>	<u>Monthly Amount</u>
CHRYSLER FINANCIAL	2006 CHRYSLER 300 MILEAGE: 75,000	110.00
GMAC	2006 CHEVROLET SILVERADO MILEAGE: 95,000	200.00

☐ See Section (J), Varying Provisions.

- (2) **Administrative expenses.** Section 507(a)(2).

(a) Attorney fees. Debtor's attorney received \$ 3,000.00 before filing. The balance of \$ 1,000.00 or an amount approved by the Court upon application shall be paid by the Trustee. See Section (F) for any fee application.

(b) Other Administrative Expenses. [Describe]

☐ See Section (J), Varying Provisions.

- (3) **Leases and Unexpired Executory Contracts.** Pursuant to § 1322(b), the Debtor assumes or rejects the following lease or unexpired executory contract. For a lease or executory contract with an arrearage to cure, the arrearage will be cured in the plan payments with regular monthly payments to be paid direct by the Debtor. The arrearage amount to be adjusted to the amount in the creditor's allowed proof of claim.

(a) Assumed:

<u>Creditor &amp; Property Description</u>	<u>Estimated Arrearage Amount</u>	<u>Arrearage Through Date</u>
VERIZON CELL PHONE	0.00	1/20/2010

(b) Rejected:

<u>Creditor</u>	<u>Property Description</u>
-NONE-	

☐ See Section (J), Varying Provisions.

- (4) **Claims Secured Solely by Security Interest in Real Property.** Unless otherwise stated below, Debtor shall pay post-petition payments directly to the creditor. Prepetition arrearages shall be cured through the Trustee. A creditor identified in this paragraph may mail the Debtor all correspondence, notices, statements, payment coupons, escrow notices, and default notices concerning any change to the monthly payment or interest rate without such being a violation of the automatic stay. No interest will be paid on the prepetition arrearage unless otherwise stated. Except as provided in Local Bankruptcy Rule 2084-23 if a creditor gets unconditional stay relief, the actual cure amount to be paid shall be adjusted by the Trustee pursuant to the creditor's **allowed** proof of claim.

Creditor/Servicing Agent & Property Description	Value of Collateral and Valuation Method	Estimated Arrearage Amount	Arrearage Owed Through
<b>BANK OF AMERICA HOME LOANS</b> <b>18512 E. LAWDALE PL., QUEEN CREEK, AZ</b>	<b>225,000.00</b> <b>Professional Appraisal</b>	<b>16,500.00</b>	<b>1/20/10</b>

☒ See Section (J), Varying Provisions.

- (5) **Claims Secured by Personal Property or a Combination of Real and Personal Property.** Pursuant to § 1325(a), secured creditors listed below shall be paid the amount shown below as the Amount to be Paid As Secured Claim Under Plan, with such amount paid through the Plan payments. However, if the creditor's proof of claim amount is less than the Amount of Secured Claim to be Paid Under the Plan, then only the proof of claim amount will be paid. Any adequate protection payments are as provided in Section (C)(1) above. If a creditor fails to file a secured claim or files a wholly unsecured claim, the debtor may delete the proposed payment of a secured claim in the order confirming plan. If a creditor files a secured claim in an amount less than that proposed in this Plan, the claim amount will be paid.

Creditor & Property Description	Debt Amount	Value of Collateral and Valuation Method	Amount to be Paid On Secured Claim	Interest Rate
<b>CHRYSLER FINANCIAL</b> <b>2006 CHRYSLER 300</b> <b>MILEAGE: 75,000</b>	<b>3,580.51</b>	<b>11,057.50</b> <b>Karpower.com</b>	<b>3,580.51</b>	<b>4.25</b>
<b>GMAC</b> <b>2006 CHEVROLET SILVERADO</b> <b>MILEAGE: 95,000</b>	<b>23,000.00</b>	<b>20,092.50</b> <b>Karpower.com</b>	<b>20,092.50</b>	<b>4.25</b>

☐ See Section (J), Varying Provisions.

- (6) **Priority, Unsecured Claims.** All allowed claims entitled to pro rata priority treatment under § 507 shall be paid in full in the following order:

- (a) **Unsecured Domestic Support Obligations.** The Debtor shall remain current on such obligations that come due after filing the petition. Unpaid obligations before the petition date to be cured in the plan payments.

Creditor	Estimated Arrearage
<b>-NONE-</b>	

- (b) **Other unsecured priority claims.**

Creditor	Type of Priority Debt	Estimated Amount
<b>-NONE-</b>		

☐ See Section (J), Varying Provisions.

- (7) **Codebtor Claims.** The following codebtor claim is to be paid per the allowed claim, pro rata before other unsecured, nonpriority claims.

Creditor	Codebtor Name	Estimated Debt Amount
<b>-NONE-</b>		

☐ See Section (J), Varying Provisions.

- (8) **Nonpriority, Unsecured Claims.** Allowed unsecured, nonpriority claims shall be paid pro rata the balance of payments under the Plan.

☐ See Section (J), Varying Provisions.

- (D) **Lien Retention.** Secured creditors shall retain their liens until payment of the underlying debt determined under nonbankruptcy law or upon discharge, whichever occurs first.

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☐ See Section (J), Varying Provisions.

- (E) **Surrendered Property.** Debtor surrenders the following property. Upon confirmation of this Plan or except as otherwise ordered by the Court, bankruptcy stays are lifted as to the collateral to be surrendered. Any claim filed by such creditor shall receive **no** distribution until the creditor files a claim or an amended proof of claim that reflects any deficiency balance remaining on the claim. *Should the creditor fail to file an amended claim consistent with this provision, the Trustee need not make any distributions to that creditor.*

Claimant

**BANK OF AMERICA  
WELLS FARGO BANK, N.A.**

Property to be surrendered

**2006 RAPTOR RV TRAILER  
2005 DODGE NEON  
MILEAGE: 75,000**

- (F) **Attorney Application for Payment of Attorney Fees.** Counsel for the Debtor has received a prepetition retainer of \$ **3,000.00**, to be applied against fees and costs incurred. Fees and costs exceeding the retainer shall be paid from funds held by the Chapter 13 Trustee as an administrative expense. Counsel will be paid as selected in paragraph (1) or (2) below:

- ☒ (1)(a) **Flat Fee.** Counsel for the Debtor has agreed to a total sum of \$ **4,000.00** to represent the Debtor. Counsel has agreed to perform the following services through confirmation of the plan:

- ☒ Review of financial documents and information.
- ☒ Consultation, planning, and advice, including office visits and telephone communications.
- ☒ Preparation of Petition, Schedules, Statement of Financial Affairs, Master Mailing List.
- ☒ Preparation and filing of Chapter 13 Plan, Plan Analysis, and any necessary amendments.
- ☒ Attendance at the § 341 meeting of creditors.
- ☒ Resolution of creditor objections and Trustee recommendations, and attendance at hearings.
- ☒ Reviewing and analyzing creditor claims for potential objections, and attendance at hearings.
- ☒ Responding to motions to dismiss, and attendance at hearings.
- ☐ Responding to motions for relief from the automatic stay, and attendance at hearings.
- ☒ Drafting and mailing of any necessary correspondence.
- ☒ Preparation of proposed order confirming the plan.
- ☐ Representation in any adversary proceedings.
- ☒ Representation regarding the pre-filing credit briefing and post-filing education course.

- (b) **Additional Services.** Counsel for the Debtor has agreed to charge a flat fee for the following additional services provided to the Debtor post-confirmation of the plan:

- ☒ Preparation and filing of Modified Plan \$\_\_.
  - ☒ Preparation and filing of motion for moratorium \$\_\_.
  - ☒ Responding to motion to dismiss, and attendance at hearings \$\_\_.
  - ☐ Defending motion for relief from the automatic stay or adversary proceeding \$\_\_.
  - ☒ Preparation and filing of any motion to sell property \$\_\_.
  - ☒ Other
- Responding to Motion for Relief from the Automatic Stay, and attendance at hearings; Preparing and filing Motion to Incur Debt, and attendance at hearings...Fee \$750.00**

**Prosecuting avoidance of voluntary lien secured by real property...Fee \$1,000.00 .**

All other additional services will be billed at the rate of \$ **300.00** per hour for attorney time and \$ **100.00** per hour for paralegal time. Counsel will file and notice a separate fee application detailing the additional fees and costs requested. Counsel will include *all* time expended in the case in the separate fee application.

☐ See Section (J), Varying Provisions.

- ☐ (2) **Hourly Fees.** For hourly fees to be paid as an administrative expense, counsel must file and notice a separate fee application detailing the additional fees and costs requested. The application must include all time expended in the case. 2:10-bk-01438

Counsel has agreed to represent the Debtor for all services related to the Chapter 13 bankruptcy to be billed at the rate of \$\_\_ per hour for attorney time and \$\_\_ per hour for paralegal time.

☐ See Section (J), Varying Provisions.

- (G) **Vesting.** Vesting of property of the estate. Property of the estate shall vest in the Debtor upon confirmation of the Plan. The following property shall not revert in the Debtor upon confirmation: *[Describe or state none]*

**-NONE-**

☐ See Section (J), Varying Provisions.

- (H) **Tax Returns.** While the case is pending, the Debtor shall provide to the trustee a copy of any post-petition tax return within thirty days after filing the return with the tax agency. The Debtor has filed all tax returns for all taxable periods during the four-year period ending on the petition date, except: *[not applicable or describe unfiled returns]*.

**-NONE-**

- (I) **Funding Shortfall.** Debtor will cure any funding shortfall before the Plan is deemed completed.

- (J) **Varying Provisions.** The Debtor submits the following provisions that vary from the Local Plan Form, Sections (A) through (G):

- (1) (C) Payments disbursed by the Trustee shall be paid in the following order: (a) first to administrative claims, including adequate protection; (b) then to secured claims, paid pro-rata; (c) then to priority unsecured claims, paid pro-rata; (d) then to general unsecured claims, paid pro-rata.

(C) If a secured creditor does not file a timely objection to confirmation of the Plan then it is deemed to have accepted treatment of its claim under the Plan, irrespective of the filing of a secured proof of claim. 11 U.S.C. § 1325(a)(5)(A). In the event that a secured creditor or a priority unsecured creditor fails to file a secured/priority unsecured claim before confirmation of files a wholly unsecured claim, the Debtor may delete the proposed payment of the secured/priority unsecured claim in the order confirming the Plan with no additional fees.

(C)(4) Wells Fargo Bank: This creditor or its successors in interest and/or assigns holds a voluntary lien, also called a Deed of Trust, against the Debtors' real property described below, and such lien is recorded in the Office of the Maricopa County Recorder, in the State of Arizona, at record number 2006-0817820 and the Modification to Home Equity Line of Credit Agreement and Open-End Deed of Trust, at record number 2006-1186223. The value of the subject property is \$225,000.00, and was valued in accordance with that certain real estate appraisal prepared by Christopher R. Castle of Castle Appraising, LLC.. A true and correct copy of the foregoing valuation is attached hereto as Exhibit A and is incorporated herein by reference. The value of the subject real property is insufficient to secure all prior perfected liens against the subject real property and, as a direct result, no equity exists in the subject real property to secure the creditor's lien. Therefore, the lien of this creditor, upon confirmation of this Plan, shall be avoided and the Order confirming the Debtor's Chapter 13 Plan shall include a release of the lien of this creditor, this creditor shall not be paid through the Plan as a secured creditor, or direct by the Debtor, rather any filed claim of this creditor for this debt shall be classified as a general unsecured claim and paid in accordance with Section (C)(8) of the Plan.

Assessor's Parcel Number: 304-89-005

Street Address: 18512 E. Lawndale Pl., Queen Creek, AZ 85142

Legal Description:

Parcel No.1:

That portion of the North Half of the East Half of Parcel 2, Chandler Heights Citrus Tract, Unit No. 3127, according to Book 21 of Maps, Page 20, Record of Maricopa County, Arizona, described as follows:

Beginning at the Northwest Corner of the East Half of said Parcel 2;

Thence North 89 Degrees 52 Minutes 08 Seconds East along the North Line of said Parcel 2, a distance of 150.10 feet to a point from which the Northeast Corner of said Parcel 2 bears North 89 Degrees 52 Minutes 08

Seconds East, 450.30 feet distant therefrom;

Thence South 00 Degrees 12 Minutes 04 Seconds East, a distance of 324.99 feet to a point from which the Southeast corner of the North half of said Parcel 2 bears North 89 Degrees 52 Minutes 04 Seconds East 450.09 feet distant therefrom;

Thence South 89 Degrees 52 Minutes 04 Seconds West along the South line of said North half of Parcel 2, as distance of 150.33 feet to the Southwest corner of the North half of the East Half of said Parcel 2;

Thence North 00 Degrees 41 Minutes 09 Seconds West along the West line of the East half of Parcel 2, a distance of 324.99 feet to the beginning.

**Parcel No. 2:**

A non-exclusive easement for roadway, irrigation and public utilities purposes, as created by the instruments recorded in Document No. 96-0844876; and in Document No. 97-0256911, over the Southerly 25.00 feet of the North half of the East half of Parcel 2, Chandler Heights Citrus Tract, Unit No. 3127, According to Book 21 of Maps, Page 20, Records of Maricopa County Arizona;

Except the Westerly 10.00 feet thereof; and also

Except any portion thereof lying with in Parcel No. 1, as described herein.

(C)(4) Maricopa/Pinal County Treasurer: Notwithstanding the Plan provision that : "[p]repetition arrearages shall be cured through the Trustee," no funds shall be paid to the Maricopa/Pinal County Treasurer through the Plan by the Trustee, and any and all pre-petition and post-petition accrued and accruing real property taxes, including any applicable interest, shall be paid direct by the Debtor to the creditor outside the Plan.

(C)(5) Interest Rate: The interest rate to be paid on all secured claims listed below, unless otherwise stated, shall be the sum of the prime rate as stated below and the risk adjustment factor as stated below. The current prime rate of interest as of the date of the initial Plan is filed in this case, as reported in the Wall Street Journal (in accordance with the information reviewed at <http://www.bankrate.com>), is 3.25%. The risk adjustment factor under this Plan is 1.0%. The factors taken into account to determine the risk factor include the status of the debt at the time of filing (see below), prior bankruptcy filings (see the Voluntary Petition filed in this case), Plan feasibility, the nature of the security and the liquidity of same, and equal treatment of similarly situated creditors.

(2) WELLS FARGO BANK, N.A.: Debtor(s) intend to avoid lien under 522(f)(1) or 522(f)(2).

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(K) **Plan Summary.** If there are discrepancies between the plan and this plan analysis, the provisions of the confirmed plan control.

(1) Administrative Expenses	\$ 1,000.00
(2) Priority Claims	\$ 0.00
(3) Payments on Leases or to Cure Defaults, Including Interest	\$ 16,500.00
(4) Payments on Secured Claims, Including Interest	\$ 26,196.58
(5) Payments on Unsecured, Nonpriority Claims	\$ 6,631.42
(6) SUBTOTAL	\$ 50,328.00
(7) Trustee's Compensation (10% of Debtor's Payments)	\$ 5,592.00
(8) Total Plan Payments	\$ 55,920.00

(L) **Section 1325 Analysis.**

(1) Best Interest of Creditors Test:

(a) Value of debtor's interest in nonexempt property	\$ 6,447.00
(b) Plus: Value of property recoverable under avoiding powers	\$ 0.00
(c) Less: Estimated Chapter 7 administrative expenses	\$ 644.70
(d) Less: Amount payable to unsecured, priority creditors	\$ 0.00
(e) Equals: Estimated amount payable to unsecured, nonpriority claims if debtor filed Chapter 7	\$ 5,802.30

Paragraph (2) to be completed by debtors whose current monthly income exceeds the state's median income.

(2) Section 1325(b) Analysis:

- (a) Amount from Line 59, Form B22C, Statement of Current Monthly Income
- (b) Applicable Commitment Period
- (c) Section 1325(b)(2) amount ((b)(1) amount times 60)

2:10bk-01488  
\$ 0.00  
\$ 60  
\$ 0.000  
\$ 6,631.42

(3) Estimated Payment to Unsecured, Nonpriority Creditors Under Plan

Dated: January 20, 2010

/s/ DANIEL G. KELLY

DANIEL G. KELLY

Debtor

/s/ John Schill jschill@roweandbaldwin.com

John Schill jschill@roweandbaldwin.com (18904)

Attorney for Debtor

HAINES, KRIEGER & BALDWIN, PLLC

15111 N. PIMA RD., SUITE 130

SCOTTSDALE, AZ 85260

480-969-3300 Fax: 480-969-3533

jschill@roweandbaldwin.com

/s/ KRIS G. KELLY

KRIS G. KELLY

Debtor



Because your name is your castle.



Appraising, Inc.

CHRISTOPHER R. CASTLE CR# 21397

PO BOX 1807  
HIGLEY, AZ 85236  
602-292-8258  
480-247-5045  
chris@castleappraising.com  
www.castleappraising.com

**INVOICE**

:10-bk-01438

**INVOICE NUMBER**

10010604

**DATE**

01/09/2010

**REFERENCE**

Internal Order #: 10010604  
Lender Case #:  
Client File #:  
Main File # on form: 10010604  
Other File # on form:  
Federal Tax ID:  
Employer ID: 30-0467714

**TO:**

DAN & KRIS KELLY  
18512 E. LAWDALE PL.  
QUEEN CREEK, AZ 85142

Telephone Number: 480-250-4185

Fax Number:

Alternate Number: 602-426-0800

E-Mail: krisk@tksfab.com

**DESCRIPTION**

Lender: Client: DAN & KRIS KELLY  
Purchaser/Borrower: N/A  
Property Address: 18512 E. LAWDALE PL.  
City: QUEEN CREEK  
County: MARICOPA State: AZ Zip: 85142-8320  
Legal Description: See attached addenda.

**FEES****AMOUNT**

GENERAL PURPOSE

350.00

**SUBTOTAL**

350.00

**PAYMENTS****AMOUNT**

Check #: 5265 Date: 01/07/2010 Description: PERSONAL CHECK  
Check #: Date: Description:  
Check #: Date: Description:

350.00

**SUBTOTAL**

350.00

PAYMENT DUE WITHIN 30 DAYS OF INVOICE DATE.

**TOTAL DUE**

\$ 0

Please Return This Portion With Your Payment

**FROM:**

DAN & KRIS KELLY  
18512 E. LAWDALE PL.  
QUEEN CREEK, AZ 85142

Telephone Number: 480-250-4185

Fax Number:

Alternate Number: 602-426-0800

E-Mail: krisk@tksfab.com

AMOUNT DUE: \$ 0

AMOUNT ENCLOSED: \$

**INVOICE NUMBER**

10010604

**DATE**

01/09/2010

**REFERENCE**

Internal Order #: 10010604  
Lender Case #:  
Client File #:  
Main File # on form: 10010604  
Other File # on form:  
Federal Tax ID:  
Employer ID: 30-0467714

**TO:**

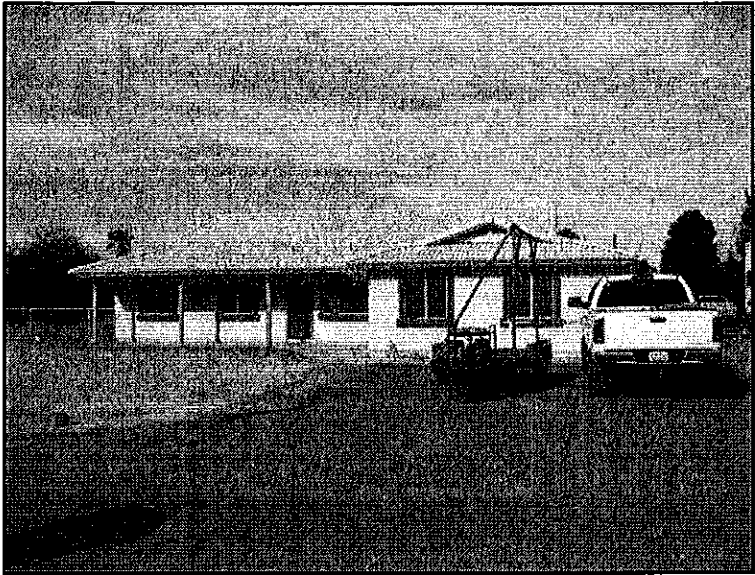
CHRISTOPHER CASTLE  
CASTLE APPRAISING, INC.  
PO BOX 1807  
HIGLEY, AZ 85236



Client	DAN & KRIS KELLY			File No. 10010604	
Property Address	18512 E. LAWNSDALE PL.				
City	QUEEN CREEK	County	MARICOPA	State	AZ Zip Code 85142-8320
Owner	KELLY, DAN & KRIS				

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## File No.: 10010604

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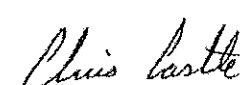
## RESIDENTIAL APPRAISAL SUMMARY REPORT

File No.: 10010604

TRANSFER HISTORY	My research <input type="checkbox"/> did <input checked="" type="checkbox"/> did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.					
	Data Source(s): IMAPP/COUNTY WEBSITE					
	1st Prior Subject Sale/Transfer		Analysis of sale/transfer history and/or any current agreement of sale/listing: <b>NO ADDITIONAL SALES WERE NOTED</b>			
	Date: NONE NOTED		FROM THE PREVIOUS 36 MONTHS FOR THE SUBJECT.			
	Price: WITHIN 3 YEARS					
TRANSFER HISTORY	Source(s): IMAPP					
	2nd Prior Subject Sale/Transfer					
	Date:					
	Price:					
	Source(s):					
SALES COMPARISON APPROACH TO VALUE (if developed) <input type="checkbox"/> The Sales Comparison Approach was not developed for this appraisal.						
FEATURE		SUBJECT		COMPARABLE SALE # 1	COMPARABLE SALE # 2	COMPARABLE SALE # 3
Address 18512 E. LAWNDALE PL. QUEEN CREEK, AZ 85142-8320		17623 E. REGAL DR. QUEEN CREEK, AZ 85142		18618 E. MARY ANN WAY QUEEN CREEK, AZ 85142	19132 E. VIA DE ARBOLES QUEEN CREEK, AZ 85142	
Proximity to Subject		1.11 miles W		0.29 miles SE	1.17 miles NE	
Sale Price		\$ N/A		\$ 225,000	\$ 189,900	\$ 255,000
Sale Price/GLA		\$ /sq.ft.		\$ 124.24 /sq.ft.	\$ 103.71 /sq.ft.	\$ 144.31 /sq.ft.
Data Source(s)		INSPECTION		#09-1188865/304-88-012H	#09-1176873/304-89-094	#09-1028957/304-80-213
Verification Source(s)		IMAPP/MLS #4235357/8 DOM		IMAPP/MLS #4270286/31 DOM	IMAPP/MLS #4274958/11 DOM	
VALUE ADJUSTMENTS		DESCRIPTION		+(-) \$ Adjust.	DESCRIPTION	+(-) \$ Adjust.
Sales or Financing		FHA		CONV.	CASH	
Concessions		3%		-6,800	-6,800	NONE
Date of Sale/Time		12/29/2009		12/23/2009	11/06/2009	
Rights Appraised		FEE SIMPLE		FEE SIMPLE	FEE SIMPLE	
Location		AVERAGE		AVERAGE	AVERAGE	
Site		1.12 ACRES +/-		1.01 ACRES +/-	0.97 ACRES +/-	1.05 ACRES +/-
View		OTHER HOMES		OTHER HOMES	OTHER HOMES	
Design (Style)		S/WESTERN		RANCH	RANCH	
Quality of Construction		AVERAGE		AVERAGE	AVERAGE	
Age		13 YRS		11 YRS	14 YRS	16 YRS
Condition		AVG-GOOD		AVG-GOOD/MLS	AVG-GOOD/MLS	AVG-GOOD/MLS
Above Grade		Total Bdrms Baths		Total Bdrms Baths	Total Bdrms Baths	Total Bdrms Baths
Room Count		6 3 2		7 3 2.5	6 4 2	6 4 2
Gross Living Area		1,812 sq.ft.		1,811 sq.ft.	1,831 sq.ft.	1,767 sq.ft.
Basement & Finished		NONE		NONE	NONE	NONE
Rooms Below Grade		N/A		N/A	N/A	N/A
Functional Utility		AVERAGE		AVERAGE	AVERAGE	AVERAGE
Heating/Cooling		FWA/REFRIG.		FWA/REFRIG.	FWA/REFRIG.	FWA/REFRIG.
Energy Efficient Items		STD. ITEMS		STD. ITEMS	STD. ITEMS	STD. ITEMS
Garage/Carport		3 CAR GARAGE		2 CAR GARAGE	2 CAR GARAGE	3 CGRG+WORKSHOP
Porch/Patio/Deck		COV. PATIO		COV. PATIO	COV. PATIO	COV. PATIO
FIREPLACE		1 FP/FIREPIT/BBQ		1 FIREPLACE	NO FIREPLACE	NO FIREPLACE
FENCING/POOL		CHAINLK/POOL		VINYL/NO POOL	WIRE/NO POOL	CHAINLK/NO POOL
LANDSCAPING		TYPICAL		TYPICAL	TYPICAL	TYPICAL
Net Adjustment (Total)		<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 7,200		<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 29,900	<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ -6,500	
Adjusted Sale Price of Comparables		Net 3.2% Gross 10.6% \$ 232,200		Net 15.7% Gross 22.7% \$ 219,800	Net 2.5% Gross 13.1% \$ 248,500	
Summary of Sales Comparison Approach The subject is a single level, Southwestern style home in average to good condition. For further details, please refer to the Improvements section and photograph addendums.						
Chosen comparables represent best available data from previous six months. The adjustments utilized were determined through paired sales analysis, conversations with brokers familiar with the subject's marketing area, office files, previous appraisals completed in the neighborhood, appraiser's working knowledge and experience. The adjustments reflect the difference the typical buyer would pay for the added amenity. Age and condition adjustments were computed together to allow the Appraiser to account for actual age, effective age, renovations and remodeling. Bedroom count adjustments were not warranted as the market does not appear to pay a premium for bedroom count, as much as gross living area of the home. Gross living area adjustments were calculated at a rate of \$25 per square foot for differences greater than 150 SF based upon paired sales analysis in the subject marketing area. Lot size adjustments were calculated at a rate of \$130,000 per acre for differences of .15 acres or greater. The Appraiser was unable to bracket pool adjustment due to the lack of pool comparables located within the area. Pool adjustment is based upon Appraiser's previous experience from within the area.						
When comparables exceed the recommended one mile guideline, the Appraiser has selected comparables in the subject zip code, with similar functional utility, site influence, bedroom count, bath count and/or gross living area wherever possible. These properties would appear to compete for potential buyers and would be considered reliable indicators of value. In addition, these comparables would produce the least net/gross adjustments to assist in producing a credible final opinion of value.						
Comparables one through four represent the most recent and most comparable sales available from the subject's market area. Comparables five and six are active listings included as additional references. Stated sales prices are actually most recent list prices. Listing adjustments applied for typical negotiations.						
Comparables one through three are the most recent sales and are given most consideration. However, as comparables four through six are also included and have a narrow indicated range, they are also given much consideration. Comparables one and three are to be the most comparable and most recent sales included in this report, however, their indicated value is weighed down by comparables two and four through six. The opinion of value draws support from all comparables.						
Indicated Value by Sales Comparison Approach \$ 225,000						

## RESIDENTIAL APPRAISAL SUMMARY REPORT

File No.: 10010604

<b>COST APPROACH</b>	<b>COST APPROACH TO VALUE (if developed)</b> <input checked="" type="checkbox"/> The Cost Approach was not developed for this appraisal. Provide adequate information for replication of the following cost figures and calculations. Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value): <u>COST APPROACH WAS NOT DEVELOPED FOR THIS ASSIGNMENT.</u>			
	ESTIMATED <input type="checkbox"/> REPRODUCTION OR <input type="checkbox"/> REPLACEMENT COST NEW			
	Source of cost data:		OPINION OF SITE VALUE = \$	
	Quality rating from cost service: Effective date of cost data:		DWELLING Sq.Ft. @ \$ = \$	
	Comments on Cost Approach (gross living area calculations, depreciation, etc.):		NONE Sq.Ft. @ \$ = \$	
	COST APPROACH WAS NOT DEVELOPED FOR THIS ASSIGNMENT.		Sq.Ft. @ \$ = \$	
			Sq.Ft. @ \$ = \$	
			Sq.Ft. @ \$ = \$	
			Sq.Ft. @ \$ = \$	
			Sq.Ft. @ \$ = \$	
		Garage/Carport Sq.Ft. @ \$ = \$		
		Total Estimate of Cost-New = \$		
		Less Physical Functional External		
		Depreciation = \$( )		
		Depreciated Cost of Improvements = \$		
		"As-is" Value of Site Improvements = \$		
		= \$		
		= \$		
Estimated Remaining Economic Life (if required): N/A Years		INDICATED VALUE BY COST APPROACH = \$ N/A		
<b>INCOME APPROACH</b>	<b>INCOME APPROACH TO VALUE (if developed)</b> <input checked="" type="checkbox"/> The Income Approach was not developed for this appraisal. Estimated Monthly Market Rent \$ N/A X Gross Rent Multiplier N/A = \$ N/A Indicated Value by Income Approach Summary of Income Approach (including support for market rent and GRM): THIS IS NOT A RENTAL NEIGHBORHOOD, AND THERE IS INSUFFICIENT DATA TO DEVELOPE AN ACCURATE AND ADEQUATELY SUPPORTED OPINION OF VALUE DERIVED BY THE INCOME APPROACH.			
<b>PUD</b>	<b>PROJECT INFORMATION FOR PUDs (if applicable)</b> <input type="checkbox"/> The Subject is part of a Planned Unit Development. Legal Name of Project: N/A Describe common elements and recreational facilities: N/A			
<b>RECONCILIATION</b>	Indicated Value by: Sales Comparison Approach \$ 225,000 Cost Approach (if developed) \$ N/A Income Approach (if developed) \$ N/A Final Reconciliation See attached addenda.			
<b>ATTACHMENTS</b>	This appraisal is made <input checked="" type="checkbox"/> "as is", <input type="checkbox"/> subject to completion per plans and specifications on the basis of a Hypothetical Condition that the improvements have been completed, <input type="checkbox"/> subject to the following repairs or alterations on the basis of a Hypothetical Condition that the repairs or alterations have been completed, <input type="checkbox"/> subject to the following required inspection based on the Extraordinary Assumption that the condition or deficiency does not require alteration or repair:			
<b>SIGNATURES</b>	Based on the degree of inspection of the subject property, as indicated below, defined Scope of Work, Statement of Assumptions and Limiting Conditions, and Appraiser's Certifications, my (our) Opinion of the Market Value (or other specified value type), as defined herein, of the real property that is the subject of this report is: \$ 225,000, as of: 01/07/2010, which is the effective date of this appraisal. If indicated above, this Opinion of Value is subject to Hypothetical Conditions and/or Extraordinary Assumptions included in this report. See attached addenda.			
	A true and complete copy of this report contains 16 pages, including exhibits which are considered an integral part of the report. This appraisal report may not be properly understood without reference to the information contained in the complete report.			
	Attached Exhibits: <input checked="" type="checkbox"/> Scope of Work <input checked="" type="checkbox"/> Limiting Cond/Certifications <input checked="" type="checkbox"/> Narrative Addendum <input checked="" type="checkbox"/> Photograph Addenda <input checked="" type="checkbox"/> Sketch Addendum <input checked="" type="checkbox"/> Map Addenda <input checked="" type="checkbox"/> Additional Sales <input type="checkbox"/> Cost Addendum <input type="checkbox"/> Flood Addendum <input type="checkbox"/> Manuf. House Addendum <input checked="" type="checkbox"/> Hypothetical Conditions <input type="checkbox"/> Extraordinary Assumptions <input type="checkbox"/>			
	Client Contact: DAN & KRIS KELLY E-Mail: krisk@kksfab.com		Client Name: DAN & KRIS KELLY Address: 18512 E. LAWNDALE PL., QUEEN CREEK, AZ 85142	
	<b>APPRAISER</b>   Appraiser Name: CHRISTOPHER R. CASTLE CR #21397 Company: CASTLE APPRAISING, INC. Phone: (602) 292-8258 Fax: (480) 247-5045 E-Mail: chris@castleappraising.com Date of Report (Signature): 01/09/2010 License or Certification #: 21397 State: AZ Designation: Expiration Date of License or Certification: 7/31/2010 Inspection of Subject: <input checked="" type="checkbox"/> Interior & Exterior <input type="checkbox"/> Exterior Only <input type="checkbox"/> None Date of Inspection: 01/07/2010		<b>SUPERVISORY APPRAISER (if required) or CO-APPRAISER (if applicable)</b>  Supervisory or Co-Appraiser Name: Company: Phone: Fax: E-Mail: Date of Report (Signature): License or Certification #: State: Designation: Expiration Date of License or Certification: Inspection of Subject: <input type="checkbox"/> Interior & Exterior <input type="checkbox"/> Exterior Only <input type="checkbox"/> None Date of Inspection:	



**Assumptions, Limiting Conditions & Scope of Work**

File No.: 10010604

Property Address: 18512 E. LAWDALE PL. City: QUEEN CREEK State: AZ Zip Code: 85142-8320  
 Client: DAN & KRIS KELLY Address: 18512 E. LAWDALE PL., QUEEN CREEK, AZ 85142  
 Appraiser: CHRISTOPHER R. CASTLE CR #21397 Address: PO BOX 1807, HIGLEY, AZ 85236

2:10-bk-01438

**STATEMENT OF ASSUMPTIONS & LIMITING CONDITIONS**

— The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.

— The appraiser may have provided a sketch in the appraisal report to show approximate dimensions of the improvements, and any such sketch is included only to assist the reader of the report in visualizing the property and understanding the appraiser's determination of its size. Unless otherwise indicated, a Land Survey was not performed.

— If so indicated, the appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in the appraisal report whether the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.

— The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand.

— If the cost approach is included in this appraisal, the appraiser has estimated the value of the land in the cost approach at its highest and best use, and the improvements at their contributory value. These separate valuations of the land and improvements must not be used in conjunction with any other appraisal and are invalid if they are so used. Unless otherwise specifically indicated, the cost approach value is not an insurance value, and should not be used as such.

— The appraiser has noted in the appraisal report any adverse conditions (including, but not limited to, needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property, or that he or she became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property, or adverse environmental conditions (including, but not limited to, the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property.

— The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.

— The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice, and any applicable federal, state or local laws.

— If this appraisal is indicated as subject to satisfactory completion, repairs, or alterations, the appraiser has based his or her appraisal report and valuation conclusion on the assumption that completion of the improvements will be performed in a workmanlike manner.

— An appraiser's client is the party (or parties) who engage an appraiser in a specific assignment. Any other party acquiring this report from the client does not become a party to the appraiser-client relationship. Any persons receiving this appraisal report because of disclosure requirements applicable to the appraiser's client do not become intended users of this report unless specifically identified by the client at the time of the assignment.

— The appraiser's written consent and approval must be obtained before this appraisal report can be conveyed by anyone to the public, through advertising, public relations, news, sales, or by means of any other media, or by its inclusion in a private or public database.

— An appraisal of real property is not a 'home inspection' and should not be construed as such. As part of the valuation process, the appraiser performs a non-invasive visual inventory that is not intended to reveal defects or detrimental conditions that are not readily apparent. The presence of such conditions or defects could adversely affect the appraiser's opinion of value. Clients with concerns about such potential negative factors are encouraged to engage the appropriate type of expert to investigate.

The Scope of Work is the type and extent of research and analyses performed in an appraisal assignment that is required to produce credible assignment results, given the nature of the appraisal problem, the specific requirements of the intended user(s) and the intended use of the appraisal report. Reliance upon this report, regardless of how acquired, by any party or for any use, other than those specified in this report by the Appraiser, is prohibited. The Opinion of Value that is the conclusion of this report is credible only within the context of the Scope of Work, Effective Date, the Date of Report, the Intended User(s), the Intended Use, the stated Assumptions and Limiting Conditions, any Hypothetical Conditions and/or Extraordinary Assumptions, and the Type of Value, as defined herein. The appraiser, appraisal firm, and related parties assume no obligation, liability, or accountability, and will not be responsible for any unauthorized use of this report or its conclusions.

Additional Comments (Scope of Work, Extraordinary Assumptions, Hypothetical Conditions, etc.):



## ADDITIONAL COMPARABLE SALES

File No.: 10010604

APPROACH

FEATURE	SUBJECT	COMPARABLE SALE #4		COMPARABLE SALE #5		COMPARABLE SALE #6	
Address	18512 E. LAWNSDALE PL. QUEEN CREEK, AZ 85142-8320	17841 E. WATFORD DR. QUEEN CREEK, AZ 85142		18617 E. MARY ANN WAY QUEEN CREEK, AZ 85142		25405 S. 190TH PL. QUEEN CREEK, AZ 85142	
Proximity to Subject		0.96 miles SW		0.34 miles SE		0.67 miles E	
Sale Price	\$ N/A	\$ 205,000		\$ 224,900		\$ 224,900	
Sale Price/GLA	\$ /sq.ft.	\$ 113.89 /sq.ft.		\$ 107.30 /sq.ft.		\$ 109.02 /sq.ft.	
Data Source(s)	INSPECTION	#09-0785184/304-88-045P		ACTIVE LISTING/304-89-107		ACTIVE LISTING/304-89-069G	
Verification Source(s)		IMAPP/MLS #4181046/730 CDOM		IMAPP/MLS #4313202/3 DOM		IMAPP/MLS #4259700/108 DOM	
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+ (-) \$ Adjust.	DESCRIPTION	+ (-) \$ Adjust.	DESCRIPTION	+ (-) \$ Adjust.
Sales or Financing Concessions		CASH NONE		ACTIVE LISTING -3% TYP. NEG.	-6,700	ACTIVE LISTING -3% TYP. NEG.	-6,700
Date of Sale/Time	N/A	08/24/2009		3 DOM		108 DOM	
Rights Appraised	FEE SIMPLE	FEE SIMPLE		FEE SIMPLE		FEE SIMPLE	
Location	AVERAGE	AVERAGE		AVERAGE		AVERAGE	
Site	1.12 ACRES +/-	1 ACRE +/-		1.06 ACRES +/-		1.08 ACRES +/-	
View	OTHER HOMES	OTHER HOMES		OTHER HOMES		OTHER HOMES	
Design (Style)	SWESTERN	SWESTERN		SWESTERN		RANCH	
Quality of Construction	AVERAGE	AVERAGE		AVERAGE		AVERAGE	
Age	13 YRS	6 YRS		14 YRS		8 YRS	
Condition	AVG-GOOD	AVG-GOOD/MLS		AVG-GOOD/MLS		AVG-GOOD/MLS	
Above Grade	Total Bdrms Baths	Total Bdrms Baths		Total Bdrms Baths		Total Bdrms Baths	
Room Count	6 3 2	6 3D 2		6 3 2		6 3 2	
Gross Living Area	1,812 sq.ft.	1,800 sq.ft.		2,096 sq.ft.		2,063 sq.ft.	
Basement & Finished Rooms Below Grade	NONE	NONE		NONE		NONE	
Functional Utility	AVERAGE	AVERAGE		AVERAGE		AVERAGE	
Heating/Cooling	FWA/REFRIG.	FWA/REFRIG.		FWA/REFRIG.		FWA/REFRIG.	
Energy Efficient Items	STD. ITEMS	STD. ITEMS		STD. ITEMS		STD. ITEMS	
Garage/Carport	3 CAR GARAGE	2 CAR GARAGE		3 CGRG/STORAGE		3 CAR GARAGE	
Porch/Patio/Deck	COV. PATIO	COV. PATIO		COV. PATIO		COV. PATIO	
FIREPLACE	1 FP/FIREPIT/BBQ	NO FP/FIREPIT/BBQ		1 FIREPLACE		NO FIREPLACE	
FENCING/POOL	CHNLK/POOL	WIRE/NO POOL		BLK/CHNLK/NO PL		BLOCK/NO POOL	
LANDSCAPING	TYPICAL	TYPICAL		TYPICAL		TYPICAL	
Net Adjustment (Total)		<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 15,000		<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ -6,300		<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ -1,500	
Adjusted Sale Price of Comparables		Net 7.3 % Gross 7.3 % \$ 220,000		Net 2.8 % Gross 13.9 % \$ 218,600		Net 0.7 % Gross 10.9 % \$ 223,400	

SALES COMPARISON APPROACH



**Supplemental Addendum**

File No. 10010604

Client	DAN & KRIS KELLY			
Property Address	18512 E. LAWNDALE PL.			
City	QUEEN CREEK	County	MARICOPA	State AZ Zip Code 85142-8320
Owner	KELLY, DAN & KRIS			

**• GP Residential : Subject - Legal Description**

CHANDLER HTS CITRUS TR 3127 MCR 21-20 PT N2 E2 OF PARCEL 2 DAF BEG NW COR OF E2 SD PARCEL TH E 150.10F TH S 324.99F TH W 150.33F TH N 324.99F TO TPOB

**• GP Residential : Market Area Description - Boundaries, Description, Conditions**

THE SUBJECT'S NEIGHBORHOOD BOUNDARIES ARE DEFINED AS NORTH BY RIGGS RD, SOUTH BY HUNT HWY, EAST BY ELLSWORTH RD, AND WEST BY RECKER RD.

THE SUBJECT IS LOCATED IN CHANDLER HEIGHTS CITRUS TRAILS, A PLANNED NEIGHBORHOOD WITH PRIMARILY SINGLE FAMILY RESIDENCES WITH MANUFACTURED HOMES MIXED WITHIN DEFINED BOUNDARIES. CHANDLER HEIGHTS CITRUS TRAILS IS A COMMUNITY BASED WITHIN A CITRUS ORCHARD AND EACH HOMESITE HAS MANY ACTIVE CITRUS TREES. CHANDLER HEIGHTS IS LOCATED ON UNINCORPORATED COUNTY LAND. VACANT LAND USE REMAINS FOR FUTURE DEVELOPMENT INTERSPERSED THROUGHOUT. QUALITY OF CONSTRUCTION RANGE (PER MARSHALL AND SWIFT) IS AVERAGE TO GOOD WITH CONDITION RANGE BEING AVERAGE TO GOOD. FAMILY SUPPORT FACILITIES SUCH AS EMPLOYMENT, SHOPPING, MUNICIPAL PARKS, AND EMERGENCY SUPPORT ARE LOCATED WITHIN A 2-10 MILE RADIUS.

NO FACTORS THAT WOULD NEGATIVELY AFFECT NEIGHBORHOOD HOUSING WAS NOTED. THE SUBJECT PROPERTY IS IN CONFORMITY WITH NEIGHBORHOOD HOUSING. THE SUBJECT PROPERTY HAS ADEQUATE ACCESS TO ALL MAJOR SUPPORT FACILITIES AND OVERALL AVERAGE MARKET APPEAL. NO EXTERNAL OBSOLESCENCE NOTED AT TIME OF INSPECTION.

PRESENT MARKETING CONDITIONS REGARDING FINANCING CONCESSIONS ARE SUCH THAT BUY DOWNS, LOANS, DISCOUNTS, ETC. ARE NOT COMMON UNLESS SPECIFICALLY NOTED AND ADJUSTED FOR WITHIN THIS APPRAISAL REPORT.

THE MARICOPA COUNTY REAL ESTATE MARKET HAS EXHIBITED SIGNIFICANT INCREASES IN VALUE FROM 2001 TO 2005. TOWARDS THE LATTER END OF 2005, THE MARKET STABILIZED WITH A BIAS TOWARD INCREASING MARKET TIME FROM UNDER 3 MONTHS TO 3-6 MONTHS DEPENDING ON PRICING. EFFECTIVE 2006 THROUGH 2009, MARICOPA COUNTY HAS EXPERIENCED DECLINING VALUES THROUGHOUT MOST OF THE COUNTY RESULTING IN INCREASES IN INVENTORY OF SHORT SALES AND FORECLOSURE PROPERTIES. CONVENTIONAL LOANS ARE TYPICAL WITH SELLER CONCESSIONS NOTED. LISTING TO SALES PRICE RATIOS ARE APPROXIMATELY 94%-96%. DEPENDING ON PRICING, MOST PROPERTIES HAVE A MARKET TIME OF 45-120 DAYS WITH SOME PROPERTIES REMAINING ON THE MARKET LONGER THAN 180 DAYS. THESE PROPERTIES ARE TYPICALLY REDUCED AND BROUGHT IN LINE WITH THE MARKET. DISTRESS SALES ARE UTILIZED ONLY IN THE ABSENCE OF ARMS LENGTH TRANSACTIONS (ACTIVE LISTINGS, PENDING SALES, CLOSED SALES) IN THE SUBJECT'S IMMEDIATE MARKETING AREA.

**Selection Criteria for Comparable Properties**

**Specified listings from the following search:** Property type Residential; Status of 'Active', 'Cancelled', 'Closed', 'Expired', 'Pending', 'Temp Off Market', 'AWC-Contingent Offers', 'AWC-Existing Option to Purchase', 'AWC-Seller Written Instructions'; Dwelling Type of 'Single Family - Detached'; Zip Code like 85142, 85242; Map Code/Grid like V42, V41; Approx SQFT between 1500 and 2100; Close of Escrow Date between '01/7/2009' and '01/9/2020'; Lot Size of '24,001 - 35,000', '35,001 - 43,559', '1 - 1.9 Acres'.

Inventory Analysis	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months
	01/09/2009 - 07/08/2009	07/09/2009 - 10/08/2009	10/09/2009 - 01/09/2010
Total # of Comparable Sales (Settled)	20	11	7
Absorption Rate (Total Sales/Months)	3.33	3.67	2.33
Total # of Active Listings	62	30	27
Months of Housing Supply (Total Listings / Ab. Rate)	18.62	8.17	11.59
Median Sale & list Price, Dom, Sale/List %	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months
Median Comparable Sale Price	187,500	205,000	224,000
Median Comparable Sales DOM	80	86	11
Median Comparable List Price	216,950	199,900	199,900
Median Comparable Listings DOM	180	121	110
Median Sale Price as % of List Price	98 %	100 %	100 %

The above data reflects a stable market condition as the median comparable sales price has increased as of late, days on market have decreased, and the median sales to list price ratio is currently 100%. However, as the number of current listings is greater than the current absorption rate, values will most likely decline due to the over-supply.

**Supplemental Addendum**

File No. 10010604

Client	DAN & KRIS KELLY				
Property Address	18512 E. LAWNDALE PL.				
City	QUEEN CREEK	County	MARICOPA	State	AZ Zip Code 85142-8320
Owner	KELLY, DAN & KRIS				

2-10-bk-01438

**• GP Residential : Reconciliation - Final Reconciliation**

THE SALES COMPARISON APPROACH WAS GIVEN MOST CONSIDERATION DUE TO RELIABLE SALES DATA IN THE SUBJECT MARKETPLACE. NON-ADJUSTED AND ADJUSTED COMPARABLES INDICATE A RANGE FOR THE SUBJECT PROPERTY SUPPORTIVE OF THE FINAL OPINION OF MARKET VALUE POST ADJUSTMENT OF \$218,000 TO \$248,000 WITH AN APPRAISED VALUE OF \$225,000.

ALL COMPARABLES WERE WEIGHTED SIMILARLY IN THE OPINION OF MARKET VALUE DUE TO LOCATION, PROXIMITY, OVERALL SIMILAR SITE UTILITY, AGE, BEDROOM COUNT, AND GROSS LIVING AREA.

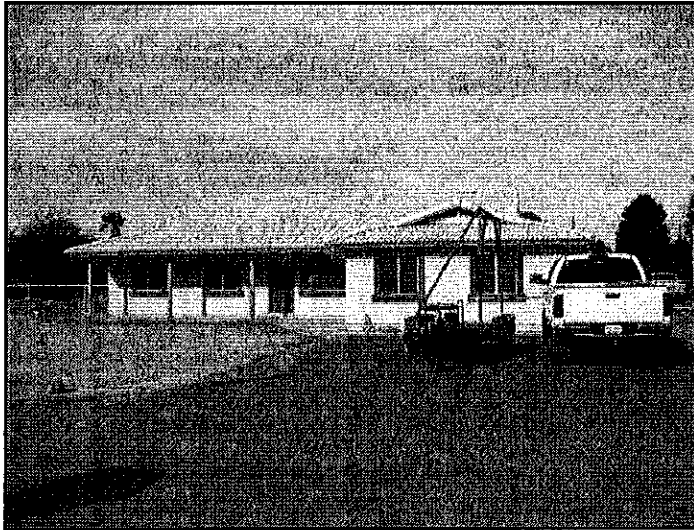
THE COST APPROACH WAS CONSIDERED AND NOT DEVELOPED AS IT IS GIVEN LITTLE TO NO WEIGHT WITH SINGLE FAMILY HOME MARKET. FURTHERMORE, THE SALES COMPARISON APPROACH IS THE MOST RELIABLE APPROACH IN DETERMINING MARKET VALUE OF SINGLE FAMILY RESIDENCES.

THE INCOME APPROACH WAS CONSIDERED AND NOT DEVELOPED AS THE RENTS FOUND IN THE SUBJECT SINGLE FAMILY HOME MARKET ARE NOT SUFFICIENT TO PROVIDE FOR USUAL AND UNEXPECTED EXPENSES FOR MAINTENANCE AND RESERVES FOR REPLACEMENT AND STILL GENERATE SUFFICIENT RETURN ON THE INVESTMENT TO ATTRACT INVESTORS. MOREOVER, OWNING THE PROPERTY WITH A MARGINAL OR NEGATIVE CASH FLOW IN ANTICIPATION THAT A FUTURE RESALE WILL RETURN SUFFICIENT PROFIT TO COVER ALL ACCRUED LOSSES AND STILL ACHIEVE AN OVERALL RETURN OF COMPARABLE INVESTMENTS IS DEEMED UNLIKELY OR HIGHLY RISKY IN THIS NEIGHBORHOOD. THEREFORE, THE KNOWLEDGEABLE INVESTOR WOULD NOT BE AS INTERESTED IN THIS PROPERTY COMPARED TO THE OWNER-OCCUPIED HOME PURCHASER. IN AS MUCH AS THE INCOME APPROACH ANTICIPATES THE TYPICAL INVESTORS DESIRES, THIS APPROACH WAS DEEMED INAPPROPRIATE FOR THIS ANALYSIS AND WAS OMITTED.

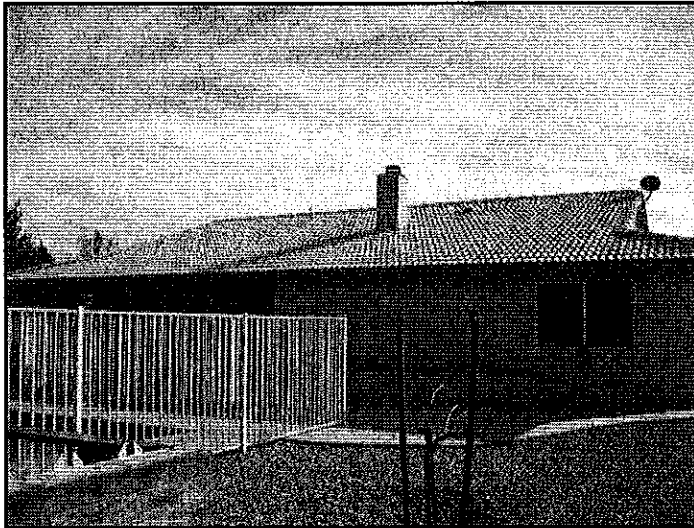
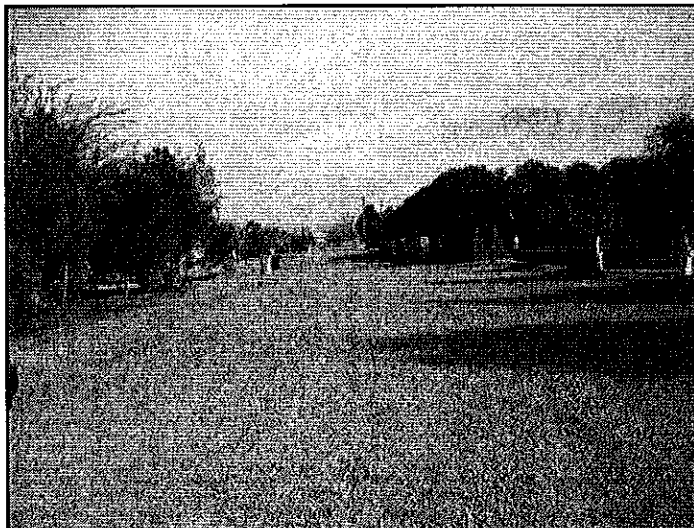
**Subject Photo Page**

Client	DAN & KRIS KELLY				
Property Address	18512 E. LAWNDAL PL.				
City	QUEEN CREEK	County	MARICOPA	State	AZ
Owner	KELLY, DAN & KRIS				
				Zip Code	85142-8320

2-10-bk-01438

**Subject Front**

18512 E. LAWNDAL PL.  
 Sales Price N/A  
 Gross Living Area 1,812  
 Total Rooms 6  
 Total Bedrooms 3  
 Total Bathrooms 2  
 Location AVERAGE  
 View OTHER HOMES  
 Site 1.12 ACRES +/-  
 Quality AVERAGE  
 Age 13 YRS

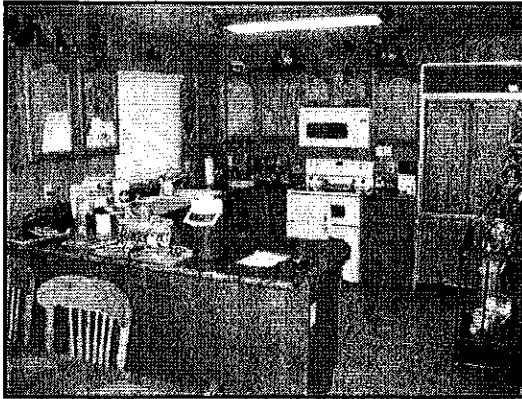
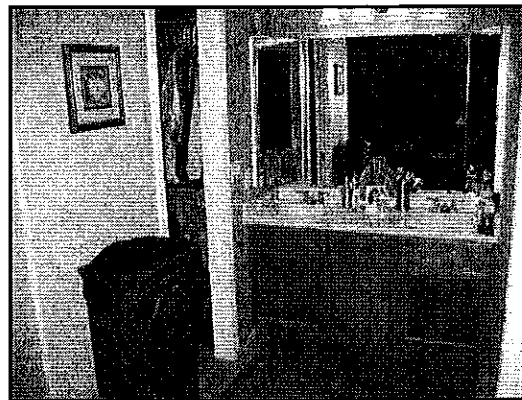
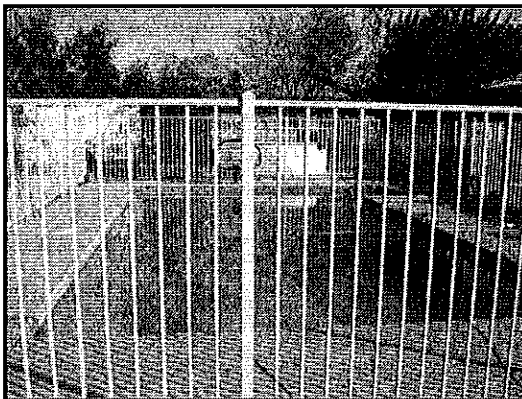
**Subject Rear****Subject Street**



**Photograph Addendum**

Client	DAN & KRIS KELLY				
Property Address	18512 E. LAWNSDALE PL.				
City	QUEEN CREEK	County	MARICOPA	State	AZ
Owner	KELLY, DAN & KRIS				
				Zip Code	85142-8320

2-10-bk-01438

**KITCHEN****FAMILY ROOM****BATHROOM****MASTER BATH****POOL****BBQ/FIREPIT**

**Comparable Photo Page**

Client	DAN & KRIS KELLY				
Property Address	18512 E. LAWNDALE PL.				
City	QUEEN CREEK	County	MARICOPA	State	AZ
Owner	KELLY, DAN & KRIS				
				Zip Code	85142-8320

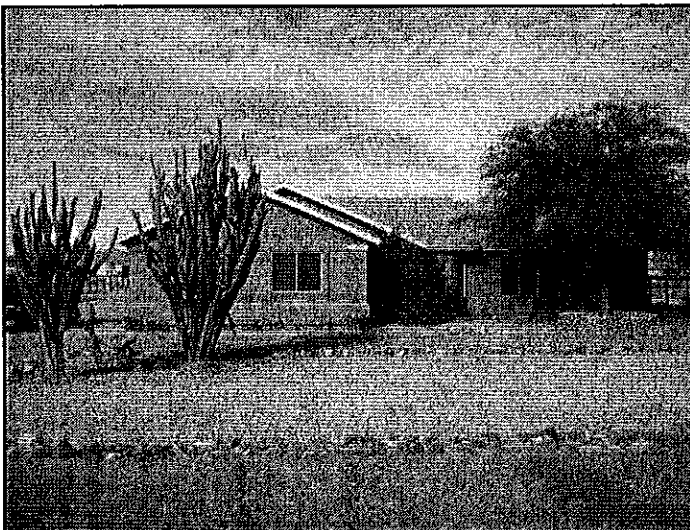
2:10-bk-01438

**Comparable 1**

17623 E. REGAL DR.  
 Prox. to Subject 1.11 miles W  
 Sale Price 225,000  
 Gross Living Area 1,811  
 Total Rooms 7  
 Total Bedrooms 3  
 Total Bathrooms 2.5  
 Location AVERAGE  
 View OTHER HOMES  
 Site 1.01 ACRES+-  
 Quality AVERAGE  
 Age 11 YRS

**Comparable 2**

18618 E. MARY ANN WAY  
 Prox. to Subject 0.29 miles SE  
 Sale Price 189,900  
 Gross Living Area 1,831  
 Total Rooms 6  
 Total Bedrooms 4  
 Total Bathrooms 2  
 Location AVERAGE  
 View OTHER HOMES  
 Site .97 ACRES+-  
 Quality AVERAGE  
 Age 14 YRS

**Comparable 3**

19132 E. VIA DE ARBOLES  
 Prox. to Subject 1.17 miles NE  
 Sale Price 255,000  
 Gross Living Area 1,767  
 Total Rooms 6  
 Total Bedrooms 4  
 Total Bathrooms 2  
 Location AVERAGE  
 View OTHER HOMES  
 Site 1.05 ACRES+-  
 Quality AVERAGE  
 Age 16 YRS



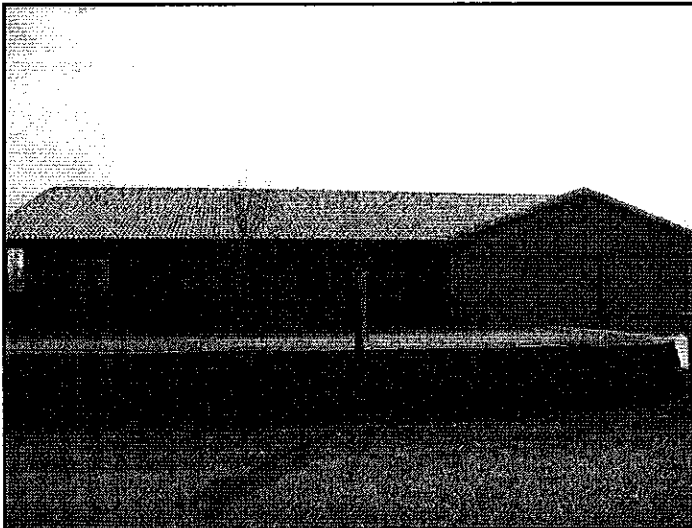
**Comparable Photo Page**

Client	DAN & KRIS KELLY				
Property Address	18512 E. LAWDALE PL.				
City	QUEEN CREEK	County	MARICOPA	State	AZ
Owner	KELLY, DAN & KRIS				
				Zip Code	85142-8320

2:10-bk-01438

**Comparable 4**

17841 E. WATFORD DR.  
 Prox. to Subject 0.96 miles SW  
 Sale Price 205,000  
 Gross Living Area 1,800  
 Total Rooms 6  
 Total Bedrooms 3D  
 Total Bathrooms 2  
 Location AVERAGE  
 View OTHER HOMES  
 Site 1 ACRE+-  
 Quality AVERAGE  
 Age 6 YRS

**Comparable 5**

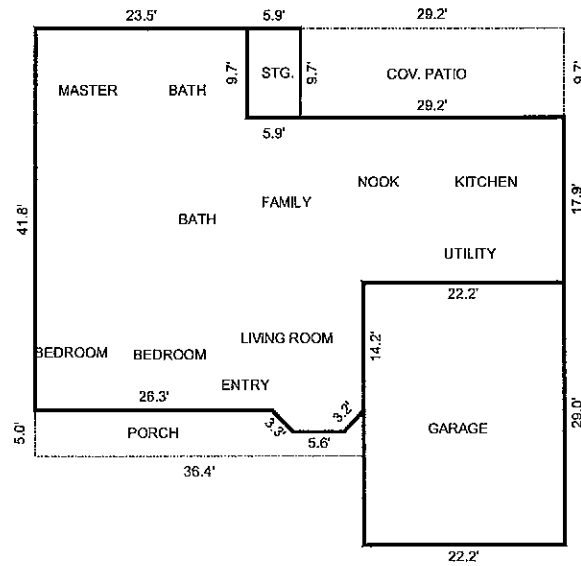
18617 E. MARY ANN WAY  
 Prox. to Subject 0.34 miles SE  
 Sale Price 224,900  
 Gross Living Area 2,096  
 Total Rooms 6  
 Total Bedrooms 3  
 Total Bathrooms 2  
 Location AVERAGE  
 View OTHER HOMES  
 Site 1.06 ACRES+-  
 Quality AVERAGE  
 Age 14 YRS

**Comparable 6**

25405 S. 190TH PL.  
 Prox. to Subject 0.67 miles E  
 Sale Price 224,900  
 Gross Living Area 2,063  
 Total Rooms 6  
 Total Bedrooms 3  
 Total Bathrooms 2  
 Location AVERAGE  
 View OTHER HOMES  
 Site 1.08 ACRES+-  
 Quality AVERAGE  
 Age 8 YRS

### Building Sketch

<b>Client</b>	DAN & KRIS KELLY				
<b>Property Address</b>	18512 E. LAWNDALE PL.				
<b>City</b>	QUEEN CREEK	<b>County</b>	MARICOPA	<b>State</b>	AZ
<b>Owner</b>	KELLY, DAN & KRIS				
				<b>Zip Code</b>	85142-8320

Sketch by Apex M<sup>re</sup>

Comments:

AREA CALCULATIONS SUMMARY			
Code	Description	Net Size	Net Totals
GLA1	First Floor	1811.8	1811.8
P/P	COV. PATIO	283.2	
	Porch	163.9	447.2
GAR	Garage	643.8	643.8
OTH	Storage	57.2	57.2
Net LIVABLE Area		(Rounded)	1812

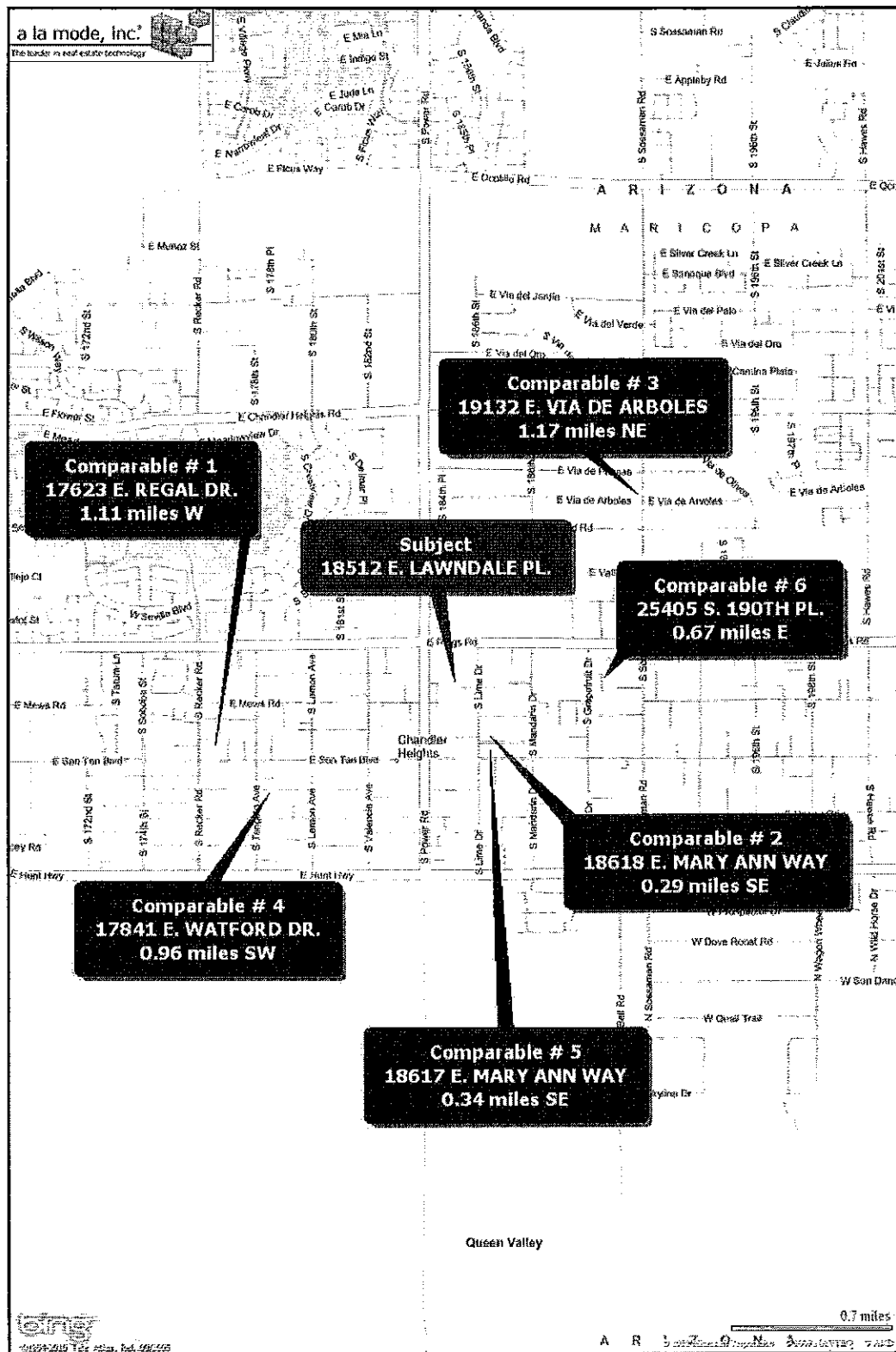
LIVING AREA BREAKDOWN		
	Breakdown	Subtotals
First Floor		
	17.9 x	32.3
	10.1 x	14.2
	2.3 x	5.6
0.5 x	2.3 x	2.3
0.5 x	2.2 x	2.3
	23.5 x	41.8
	2.8 x	32.1
		578.2
		143.4
		12.9
		2.6
		2.5
		982.3
		89.9
7 Items	(Rounded)	1812



## Location Map

Client	DAN & KRIS KELLY				
Property Address	18512 E. LAWDALE PL.				
City	QUEEN CREEK	County	MARICOPA	State	AZ
Owner	KELLY, DAN & KRIS				
				Zip Code	85142-6320

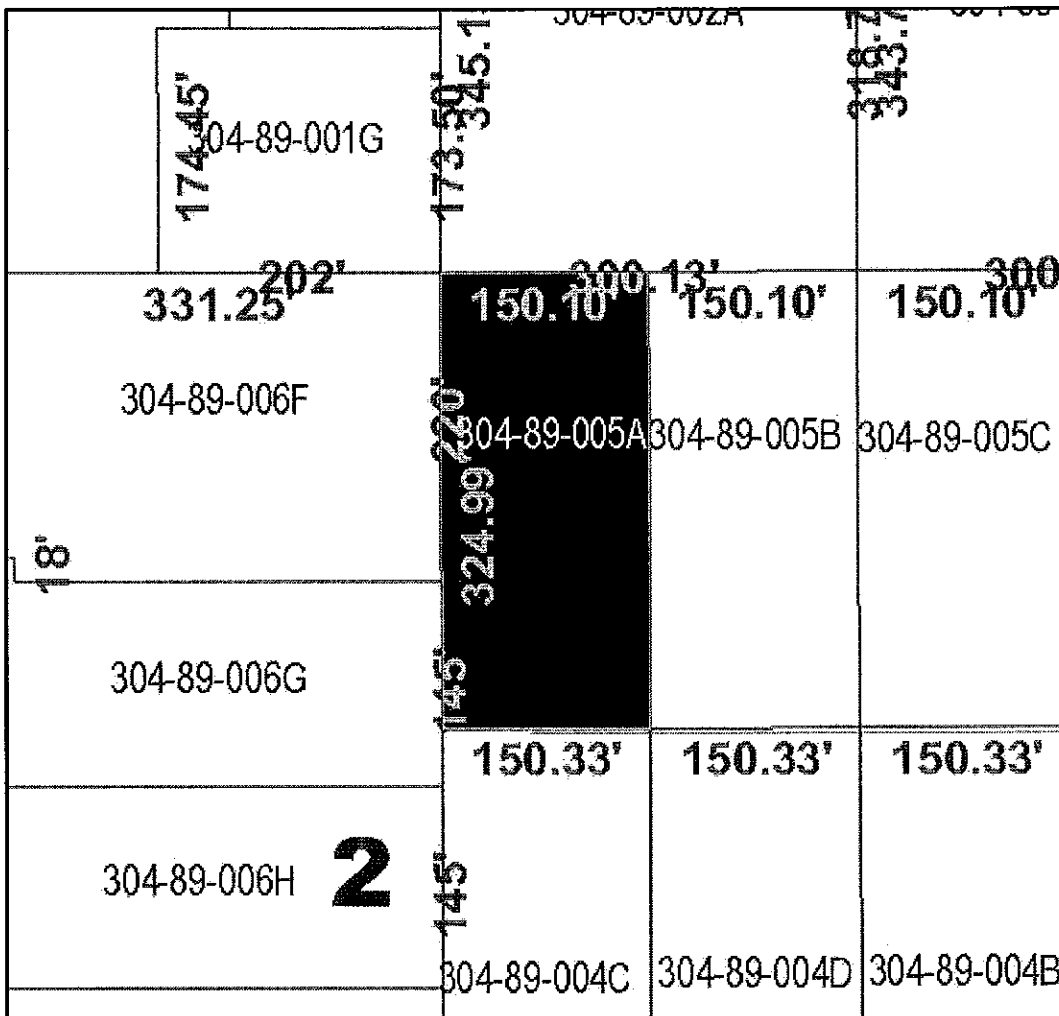
2-10-bk-01438



## Plat Map

Client	DAN & KRIS KELLY				
Property Address	18512 E. LAWYNDALE PL.				
City	QUEEN CREEK	County	MARICOPA	State	AZ
Owner	KELLY, DAN & KRIS				
				Zip Code	85142-8320

2:10-bk-01438



## Flood Map

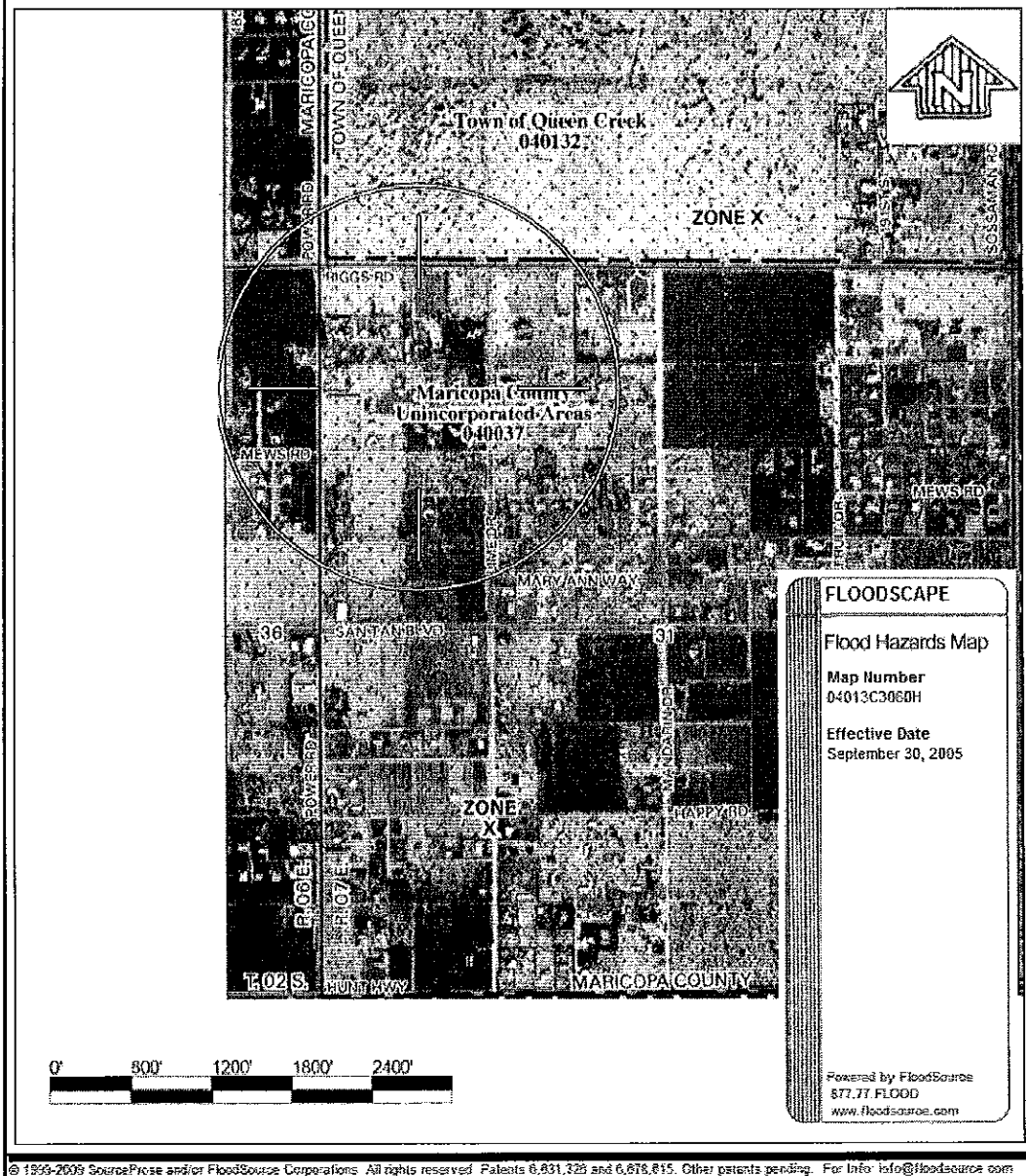
Client	DAN & KRIS KELLY				
Property Address	18512 E. LAWNDALE PL.				
City	QUEEN CREEK	County	MARICOPA	State	AZ
Owner	KELLY, DAN & KRIS		Zip Code	85142-8320	

2-10-bk-01438


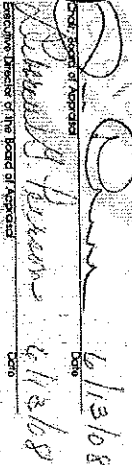


**Prepared for:**  
Castle Appraising Firm

18512 E. LAWNDAL PL.  
QUEEN CREEK, AZ 85142



2:10-bk-01438

<p>STATE OF ARIZONA</p> <p><b>BOARD OF APPRAISAL</b></p>	
<p>BE IT KNOWN THAT</p> <p><b>CHRISTOPHER R. CASTLE</b></p> <p>HAS MET ALL THE REQUIREMENTS AS A</p> <p><b>Certified Residential Real Estate Appraiser</b></p>	
<p>In accordance with Arizona Revised Statutes and on authority of the Board of Appraisal, State of Arizona.</p> <p>This certificate shall remain evidence hereof unless or until the same is suspended, revoked or expires in accordance with the provisions of law.</p> <p>CERTIFICATE NUMBER 21397</p> <p>EXPIRATION DATE JULY 31, 2010</p>	<p>In witness whereof the Arizona Board of Appraisal caused to be signed by the Chair of the Board and the Executive Director</p> <p></p> <p></p> <p>Executive Director of the Board of Appraisal</p> <p>Date 6/13/08</p>
<p>SHALL REMAIN PROPERTY OF ARIZONA BOARD OF APPRAISAL</p>	